Supreme Court of the United States

October Term 1960

No.

BILLY ROSE, RAY HENDERSON, and MEL TORSHIN, as Executor of the Estate of Mort Dixon,

Petitioners

—v.—

BOURNE, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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—v.—

BOURNE, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioners pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, which affirmed a declaratory judgment of the United States District Court for the Southern District of New York, that respondent was the legal owner of the renewal copyright to the song THAT OLD GANG OF MINE written by petitioners.*

The Opinions Below

The opinion of the District Court is reported at 176 F. Supp. 605 (74a-85a).**

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*One of the composers, Mort Dixon, died subsequent to the institution of the action and his executor was substituted in his place. However, for convenience we will not distinguish the petitioners and will refer to them collectively as the songwriters.

**All references unless otherwise noted are to the Appendix.

The *per curiam* opinion of the Court of Appeals is reported at 279 F. 2d 79; a copy is annexed to this petition.

Jurisdiction

The judgment of affirmance of the Court of Appeals was entered on May 31, 1960. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

Questions Presented

1. Does a publisher become a legal owner of a renewal copyright secured by an author where the author, prior to the issuance of the original copyright, assigned to the publisher the right to secure a renewal of the copyright, without such publisher establishing as a matter of equity that the consideration was adequate under the circumstances prevailing when such renewal rights matured?

2. Is an agreement made by an author during the original copyright term to assign his renewal copyright self-executing so that the "assignee" becomes the legal owner of the renewal copyright when secured by the author, without obtaining from the author an assignment thereof or securing a decree of specific performance in equity?

3. Is an agreement for the assignment of a renewal copyright and all rights thereunder, which provides for compensation only on a use royalty basis for certain specified uses, but does not provide for the payment of any consideration with respect to other uses covered by the Copyright Act which were not in the contemplation of the parties when the agreement was made, a valid legal as-

signment to the assignee for adequate consideration of all rights and uses under the renewal copyright?

4. Did the District Court abuse its power and discretion in assessing against petitioners $7,500 by way of attorneys' fees pursuant to Section 116 of the Copyright Act expressly as a penalty?

Statutes Involved

Section 24 of the United States Copyright Act (17 U.S.C. 24), the pertinent portions of which read as follows:

> "The copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: *Provided*, That • • • the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *and provided further*, That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication."

Section 116 of the Copyright Act (17 U.S.C. 116), which reads as follows:

> "In all actions, suits, or proceedings under this title, except when brought by or against the United States or any officer thereof, full costs shall be allowed, and the court may award to the prevailing party a reasonable attorney's fee as part of the costs."

Statement

The action, after several mutations during trial, was tried and decided as an action (counterclaim to no surviving complaint) on behalf of respondent, Bourne, Inc., for a declaratory judgment that it was the legal owner of the renewal copyright in the song THAT OLD GANG OF MINE.

On April 19, 1923 the songwriters entered into an agreement on a printed form prepared by respondent, Bourne, Inc., a publisher, which purported to sell to the publisher all rights to the song, including the right to secure copyrights and renewals of copyright. The publisher undertook no obligation except to pay to the songwriters collectively two cents for each printed pianoforte copy of the song sold and a sum equal to one-third of any royalties the publisher actually received from the use of the composition for mechanical reproduction, being piano rolls, record, disks, and other devices for mechanical reproduction. No provision was made for payment to the songwriters of any revenue from uses which were not then within the contemplation of the parties such as electrical transcription, motion pictures and television synchronization, and the like.

Shortly after the agreement was made, copyright was obtained on the song. During the entire life of the copyright the publisher paid the songwriters royalties of approximately $35,000 (75a), but 75% of this amount was earned during the first two years (56a).

The expiration date of the original copyright was April 23, 1951. In April of 1950, the three songwriters filed an application for the renewal of the copyright, and such application was registered (75a).

Thereafter the songwriters contended that they were the owners of the renewal copyright and the publisher contended that by virtue of the agreement made in 1923 it became the legal and beneficial owner of the copyright and the renewal copyright. Petitioners, as the registered owners of the renewal copyright, instituted an infringement action against the publisher as a means of resolving the controversy (3a-6a). The publisher responded to this complaint by asserting by way of counterclaim a request for a declaratory judgment adjudicating that it was the sole legal and beneficial owner of the renewal copyright or, alternatively, that the publisher was the beneficial owner of the renewal copyright and a direction that the songwriters should specifically perform their agreement by assigning the renewal copyright to the publisher (9a-12a).

The songwriters replied to this counterclaim asserting in substance that the agreement of April 1923 was inequitable because there had been a substantial change in the circumstances and in the conditions of the exploitation of musical compositions since 1923 and that therefore there was no adequate consideration to support their agreement with respect to the renewal copyright; and also that the

publisher had failed to perform the agreement with respect to the exploitation of the song and the payment of royalties (14a-16a).

On this state of the pleadings the trial commenced. In an apparent attempt to avoid a trial on the issue of the publisher's performance and the equitable considerations which might be involved in an action for a declaratory judgment or specific performance, the publisher withdrew its counterclaim (18a). The trial proceeded briefly on the songwriters' infringement complaint.

Shortly after the trial began the songwriters requested permission to discontinue the action and to suffer a voluntary dismissal of the complaint without prejudice and when that motion was denied they moved for a dismissal with prejudice (19a). The Court granted the application but dismissed the complaint *without* prejudice. The Court also granted the motion then made by the publisher to reinstate its counterclaim so that the case could proceed to an adjudication (20a).

The resumed trial then proceeded as though the publisher were the plaintiff in an action for a declaratory judgment or for specific performance. During the trial the publisher eliminated from its counterclaim the request for specific performance and its allegations of its own performance of the contract and sought only a declaration that it was the legal or beneficial owner of the renewal copyright (24a-25a).

Petitioners did not raise the question whether the Court had jurisdiction, in a non-diversity case no longer involving infringement of copyright, to determine the respective rights of the parties under their agreement. Nor was this point raised before the Court of Appeals.

On the conclusion of the trial the Court determined that the publisher was the legal owner of the renewal copyright and entered judgment accordingly (74a-85a).

When plaintiffs had suffered the dismissal of their complaint, the publisher sought to impose upon them counsel fees pursuant to Section 116 of Title 17 U.S.C. At that stage the Court declined to award any attorney's fee. It correctly held that the action was being continued solely for the benefit of the publisher (21a). Upon the conclusion of the trial the District Judge entertained a new application by the publisher to impose counsel fees on the songwriters (111a). He determined that he would not ordinarily, in a case involving copyright, impose counsel fees on the unsuccessful party, but that in the instant case he would allow a total of $7,500 as a penalty. Of this, $4,000 was imposed because petitioners by their contentions had compelled the publisher to prepare its proof on the question of its performance of the contract. This issue of performance the publisher itself later removed from the case (24a). The balance of the counsel fee allowance, $3,500, was imposed as a penalty against petitioners because their counsel had in effect sought to distinguish the instant case from the decision of this Court in *Fisher v. Witmark & Sons*, 318 U. S. 643 (112a).

Reasons for Granting the Writ

I

In *Fisher v. Witmark*, 318 U. S. 643, a divided Court held that an author could agree to convey his renewal in advance of the twenty-eighth year of the original term of the copy-

right. The dissenting Justices, Black, Douglas and Murphy, felt that the dissenting opinion of Judge Frank in the Court of Appeals in that case (125 F. 2d 954) demonstrated a definite Congressional purpose to reserve the renewal privilege for the personal benefit of the authors and their families. The majority of the Court reserved for judicial determination whether specific assignments would be denied enforcement if made under oppressive circumstances or where enforcement of the author's agreement would be unconscionable (318 U. S. 656-657).

With this express reservation there remained after *Fisher* v. *Witmark* a recognition that the courts would not deal with assignments of inchoate rights of renewal as they might with other alienable property rights. Cf. *Rossiter* v. *Vogel*, 134 F. 2d 908; 148 F. 2d 292.

The petition here does not seek any modification of the decision of this Court in *Fisher* v. *Witmark*. What is sought here is a review of the holding of the courts below that only the circumstances attended on the signing of the agreement in 1923 are relevant in determining the adequacy of the consideration for an assignment of the songwriters' inchoate renewal rights. The marked change of circumstances in the intervening years, primarily the development of valuable uses and means of reproduction of music, in which the songwriters cannot share, were excluded from the scale in measuring the adequacy of the consideration which the songwriters received (81a).

The Courts below did not give any weight to the fact that the "consideration" was not a lump sum monetary payment but rather a continuing obligation to pay royal-

ties; and not a single royalty on the gross receipts from all uses but varying royalties for those particular uses of the composition which were expressly described in the agreement. No royalties were provided for the uses which later came into being (motion picture and television synchronization, electrical reproductions, and the like) because these were unknown to the parties.* So actually the question is not one of adequacy of consideration but of complete absence of consideration to support an assignment for the renewal period of those uses and means of reproduction of music which developed after the signing of the contract in 1923.

The District Court recognized that if there was no consideration for the renewal copyright it would be compelled to hold against the publisher. The most it could have found on this record is that there was consideration to support an assignment of those uses under the renewal copyright for which specific royalty provisions were made in the initial contract. It could find no consideration whatever to support an assignment of those uses during the renewal term for which no royalty provisions were made.

The resolution of the first three questions presented by this petition is of paramount importance in the determination of valuable property rights to a large number of musical works not alone of the parties to this litigation but of the industry generally.

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* Where it was intended that the publisher would be relieved of royalty payments for certain uses, those were specifically defined and excepted [Par. 3(b) of the Contract—77a].

II

The power of the court to grant attorney's fees as part of the costs under Section 116 of the Copyright Act (17 U.S.C. 116) is limited to actions, suits or proceedings *under* the Copyright Act. The judgment in this case was in an action for declaratory judgment and was not in an action, suit or proceeding under the Copyright Act.

The lower courts have on occasion granted attorney's fees as costs in actions for declaratory judgments involving copyrights, but frequently injunctive relief was sought, and injunctive relief is expressly authorized under Section 112 of the Copyright Act. In the instant case only a declaration of rights under an agreement was sought and obtained by the publisher. The circumstance that the agreement related to a copyright has no bearing on the application of Section 116 of the Copyright Act.

There was, therefore, no power in the District Court to grant extraordinary costs in this case. Furthermore, they were imposed expressly as a penalty (112a-113a) and constituted an abuse of discretion, if not of power.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition for a writ of certiorari should be granted.

Respectfully submitted,

MORRIS SHILENSKY
Counsel for Petitioners

APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 308—October Term, 1959.

(Argued March 29, 1960 Decided May 31, 1960.)

Docket No. 26015

BILLY ROSE, RAY HENDERSON and MEL TORMÉ, as Executor of the Estate of MORT DIXON,

Appellants,

—v.—

BOURNE, INC.,

Appellee.

Before:

WATERMAN and BARNES,* *Circuit Judges*, and SMITH, *District Judge*.

Plaintiff appeals from a judgment on a counterclaim entered in the United States District Court for the Southern District of New York, DIMOCK, *J.*, declaring defendant to be the legal owner of the renewed copyright upon the song "That Old Gang of Mine." The decision below is reported at 176 F. Supp. 605.

Affirmed.

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* Of the Ninth Circuit, sitting by designation.

Appendix

SCHULMAN & STERN (John Schulman, Martin Bressler, of counsel), New York City, *for Appellants.*

PHILLIPS, NIZER, BENJAMIN, KRIM & BALLON (Walter S. Beck, Simon Rose, and Albert F. Smith, of counsel), New York City, *for Appellee.*

PER CURIAM:

This case calls for an adjudication of the ownership of the right to renew the copyright upon the song, "That Old Gang of Mine." The song was written by Billy Rose, Mort Dixon and Ray Henderson.[1] Dixon died sometime subsequent to May 17, 1959, and the executor of his estate has joined the two surviving authors as the third plaintiff herein. On April 19, 1923 the three authors entered into an agreement with defendant's predecessor, Irving Berlin, Inc., for the publication of the song. The terms of the agreement with respect to the payment of royalties are set forth in Judge Dimock's opinion below, 176 F. Supp. 606, 608-609 (S.D.N.Y. 1959), and need not be here repeated. By this agreement the authors assigned to defendant's predecessor the musical composition "That Old Gang of Mine" along with certain specified rights in that song in

[1] The lyrics of the song were written by Rose and Dixon. The music was composed by Henderson. The statute, 17 U. S. C. §24, refers to all persons who create copyrightable works by the generic name "author." Throughout this opinion Rose, Dixon and Henderson are referred to as "authors" in accordance with this statutory language.

cluding " • • • all copyrights and the rights to secure copyrights and extensions and renewals of copyrights. • • • • "

The song was first registered with the Copyright Office on April 23, 1923 as an unpublished work. Under Section 24 of the Copyright Act, 17 U.S.C. 24, and Section 202.17(a) of the Rules of the Copyright Office, 37 C.F.R., application for renewal of a copyright upon a work originally registered in an unpublished form must occur within the twenty-eighth year of the copyright term. It is settled that prior to the renewal period an author's interest in the renewal rights is only an expectancy which can be defeated by his death prior to the commencement of the renewal period. *See Miller Music Corp. v. Daniels*, U. S. —, 80 S. Ct. 792 (April 18, 1960). However the author may assign this expectancy and the assignment is valid against the world if the author is alive at the commencement of the renewal period. *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U. S. 643 (1943); *Miller Music Corp. v. Daniels*, *supra* at p. —, 80 S. Ct. 792, 794. In this case the renewal period began on April 24, 1950, and since all three authors were alive on that date, the case falls within the rule of *Fred Fisher Music Co. v. M. Witmark & Sons*, *supra*.

The *Fisher* case indicated that an author might challenge the validity of his assignment of his expectancy in the renewal rights if the consideration for the assignment was inadequate. Judge Dimock held that the 1923 assignment was supported by adequate consideration and we adopt his excellent analysis of the question as applied to the facts of this case. 176 F. Supp. 605, 611-12. See also *Gamm v.*

Jerry Vogel Music Co., 158 F. 2d 516 (2 Cir. 1946); *Marks Music Corp.* v. *Harris Music Pub. Co.*, 255 F. 2d 518, 521-22 (2 Cir. 1958), *cert. denied*, 358 U. S. 831.

It is clear that unlike the 1910 agreement in *Rossiter* v. *Vogel*, 134 F. 2d 908 (2 Cir. 1943), the 1923 assignment before us conveyed renewal rights, and this court has repeatedly held that a power of attorney to apply for renewal rights will be implied from the fact of the assignment. See *Rossiter* v. *Vogel*, *supra* at p. 911. Therefore we affirm Judge Dimock's conclusion that appellee, having made a timely filing for renewal, is the present legal owner of the renewal copyright.

Appellants also object to Judge Dimock's award to appellee of $7,500 in attorney's fees. The reasons for this award are to be found in the opinion below, 176 F. Supp. 605, 612. Under 17 U.S.C. §116 the district court may award the prevailing party a reasonable attorney's fee as part of the costs. There is no abuse of discretion here.

Affirmed.

Appendix

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Courthouse in the City of New York, on the thirty-first day of May, one thousand nine hundred and sixty.

Present:

HON. STERRY R. WATERMAN,
HON. STANLEY N. BARNES,
Circuit Judges.
HON. J. JOSEPH SMITH,
District Judge.

BILLY ROSE, RAY HENDERSON, and MEL TORSHIN, as Executor of the Estate of Mort Dixon,

Plaintiffs-Appellants,

—v.—

BOURNE, INC.,

Defendant-Appellee.

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it hereby is affirmed.

A. DANIEL FUSARO,
Clerk

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JAMES R. BROWNING, Clerk

IN THE

Supreme Court of the United States

October Term, 1960

No. 364

[illegible] RAY HENDERSON and MEL TORSHIN,
[illegible] of the Estate of MORT DIXON,
Petitioners,

vs.

BOURNE, INC.,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
[illegible] STATES COURT OF APPEALS FOR
THE SECOND CIRCUIT.

BRIEF OF RESPONDENT BOURNE, INC., IN OPPOSITION

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IN THE

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BILLY ROSE, RAY HENDERSON and MEL TORME, as Executor of the Estate of MORT DIXON,

Petitioners,

vs.

BOURNE, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT.

BRIEF OF RESPONDENT BOURNE, INC., IN OPPOSITION

THE OPINIONS BELOW

The opinion of the Court of Appeals is reported at 279 F. 2d 79; and a copy thereof is annexed to petitioners' "Petition" as an appendix.

The principal opinion of the District Court (Dimock, J., dated September 15, 1959), determining the merits in favor of respondent, is reported at 176 F. Supp. 605, and fully printed at pages 74a-85a of petitioners' "Appendix" to their appellants' brief in the Court of Appeals.

The *second* opinion by the District Court (dated December 31, 1959) granting respondent an allowance for attorney's fees, was not officially reported, but is fully printed at pages 111a to 113a of petitioners' "Appendix" to their brief in the Court of Appeals.

JURISDICTION

Petitioners are purporting to invoke the jurisdiction of this Court under 28 U. S. C. 1254(1).

STATUTES INVOLVED

The statutory provisions involved herein are Sections 24 and 116 of the U. S. Copyright Act (17 U. S. C. 24, 116).

QUESTIONS PRESENTED

1. In view of this Honorable Court's determination in *Fred Fisher Music Co.* v. *M. Witmark & Sons* (318 U. S. 643), holding that an author may assign his expectancy in his future right of renewal of copyright—was the Court of Appeals correct in affirming the judgment of the District Court which declared defendant respondent to be the legal owner of the renewed copyright of the song "That Old Gang Of Mine", by virtue of the concededly agreement dated April 19, 1923, in which the authors petitioners assigned that musical composition to respondent's predecessor, along with specified rights in that song including "* * * all copyrights, and the rights to secure copyrights and extensions and renewal of copyrights. * * *", and the District Court's finding—which the Court of Appeals adopted as an "excellent analysis of the question as applied to the *facts of this case*" (app. to petition, p. 3a)—that the 1923 assignment was supported by adequate consideration?

2. Did the Court of Appeals and the District Court correctly hold that an assignment of the expectancy in the future right of renewal, supported by adequate consideration, implicitly conveyed to the assignee, an implied power of attorney enabling the assignee to apply for the renewal of copyright—without the need of procuring a second assignment of the renewal from the author assignor—by means of an action for specific performance or otherwise? In brief, did the Court of Appeals correctly deem applicable the equitable principle that equity will deem done, that which in good conscience and morals a Court of Equity would direct should be done?

3. Did the Court of Appeals and the District Court correctly hold—in keeping with the determinations by this Court in *Barrihean v. Brant* (17 How. [U. S.] 43); *Rutland Marble Co. v. Ripley* (10 Wall. [U. S.] 339); *Franklin Ins. Co. v. Harrison* (145 U. S. 459)—that adequacy of consideration must be judged as of the time at which the contract was entered into, and if valid then—that subsequent introduction of new means of exploitation such as radio and television, cannot erase the adequacy of consideration which existed at the making of the contract? Wasn't this settled principle particularly applicable herein in view of Findings of Fact "12" and "13" (pp. 71a-72a of petitioners' "appendix" in the Court of Appeals) to the effect that petitioners had received and retained royalties from respondent, as well as from ASCAP, which included royalties for licensing the use of the song by means of the subsequently developed new devices?

4. Since petitioners seek to have this Honorable Court analyze the evidence and reverse the concurrent findings made by both Courts below that there was adequate consideration for the assignment of the renewal to respondent herein—do not settled principles of procedure growing out of prescribed jurisdiction, preclude such factual review by this Court, and compel dismissal of the "petition"?

STATEMENT OF THE CASE

Petitioners are seeking review of the judgment entered upon the order of the Court of Appeals for the Second Circuit, which unanimously affirmed the declaratory judgment in favor of the respondent herein on its counterclaim, declaring respondent to be legal owner of the renewed copyright upon the song "That Old Gang Of Mine" (176 F. Supp. 605).

Both the District Court as well as the learned Court of Appeals found on undisputed evidence (2a) that on April 1923, the authors "assigned to defendant's (respondent's) predecessor the musical composition 'That Old Gang Of Mine', along with certain specified rights in that song including: * * * all copyrights and the rights to secure copyrights and extensions and renewal of copyrights * * *".

Both the District Court (p. 83a of petitioners' appendix in the Court of Appeals) as well as the Court of Appeals found as a fact "that the 1923 assignment was supported by adequate consideration and we adopt his (Judge Dimock's) excellent analysis of the question as applied to the facts of this case, 176 F. Supp. 605, 611-12" (p. 3a of petitioners' appendix in this Court).

In their petition in this Court, petitioners for the first time concede that the determination by this Court in *Fred Fisher v. Witmark* (318 U. S. 643) is controlling and completely disposes of petitioners' contention in the Courts below that a composer could not in advance of the renewal period effectively and validly assign his expectancy in his future right of renewal.

Petitioners concede that at the making of the contract "there was consideration to support an assignment * * *" (p. 9 of petition). Petitioners' primary claim of error erroneously assumes that the *subsequent* introduction of new devices such as radio and television as means of exploiting the song, rendered the original concededly ade-

quate consideration, inadequate so as to invalidate the previously executed assignment of the renewal (see pp. 8-9 of petition herein).

As we shall hereinafter demonstrate, petitioners' contention is not only frivolous as a matter of law, *Rutland Marble Co. v. Ripley* (10 Wall. [U. S.] 339), *Bassetboom v. Bratt* (17 How. [U. S.] 43), *Frankfort Tel. Co. v. Harrison* (145 U. S. 459), but also factually contradicted by the Court's Findings of Fact numbered "12" and "13", unanimously affirmed by the Court of Appeals—that:

> "12. In the period from April 1923 to April 1951, the plaintiff authors herein received from defendant (on account of the sale and licensed use of 'That Old Gang Of Mine'), royalties in the aggregate sum of $55,349.51; and in addition thereto, plaintiffs have received from ASCAP, (of which organization plaintiffs have at all times involved herein, been members), their respective shares of the composer group's fund, realized by ASCAP from the licensing for performance of its composer members' musical compositions, including 'That Old Gang Of Mine' for non-dramatic performances on radio, television, theatre, dance halls and other places of public entertainment.
>
> "13. Included in the aforementioned royalties aggregating the sum of $55,349.51 which defendant paid and plaintiffs received under the agreement of April 19, 1923, there were included royalties for the licensing of performances of 'That Old Gang Of Mine' in film synchronizations and electrical transcriptions—both of which means of exploitation were introduced into commercial use after April 19, 1923, when the original agreement of assignment was entered into; and the royalties paid, were at the same 3¢ rate fixed by the agreement in suit for mechanical reproduction."

Supplementing the foregoing "Findings", in his "Opinion", the learned District Judge found as a fact that:

> "Film synchronization rights and electrical transcriptions have been treated as 'mechanical repro-

ductions' within the terms of the instrument of April 19, 1923, and royalties have been paid accordingly so that there is considerable doubt as to the factual basis of the composers' claim" (p. 82a of appendix in Court of Appeals).

There is therefore no doubt, that petitioners' grounds for review by this Honorable Court is as fictitious factually, as it is frivolous legally.

As to Petitioners' Second Alleged Ground for Review:

Petitioners contend that the learned Courts below erred in granting respondent an allowance of counsel fees as part of the costs—as authorized by Section 116 of the Copyright Act.

The Court of Appeals found that the allowance granted by the District Court did not "constitute an abuse of discretion here" (p. 4a of petitioners' appendix).

ARGUMENT

THIS HONORABLE COURT WILL NOT ANALYZE THE EVIDENCE TO DISTURB *FINDINGS OF FACT* CONCURRENTLY ADOPTED BY THE TWO LEARNED COURTS BELOW.

Significantly, petitioners do not even attempt to challenge any of the factual findings made by the learned District Court, and unanimously adopted by the Court of Appeals, which are dispositive of this case, since each of them is established by undisputed documentary evidence such as the royalty statements furnished to petitioners during the entire 28 year term of the copyright. Nevertheless, at pages "8" and "9" of their petition, petitioners attempt to persuade this Court to arrive at contrary factual conclusions concerning the adequacy of the consideration for the assignment of the expectancy in the right of renewal—a function which this Honorable Court—for juris-

factual reasons has long refused to perform. However, in order to hurdle this obvious bar to factual review by this Court, petitioners struggle with a phantom issue, which is fact and groundless. As the Courts below found, petitioners were paid their royalties for use of their combination by new devices. Hence the alleged "issue" which petitioners tender, is completely fictitious. But even if the facts were otherwise, as we shall demonstrate, the law has long been settled, that adequacy of consideration is not affected by change in circumstances occurring *after* the contract has been entered into. If there was no inadequacy at the making of the contract, none can arise from subsequent events. Pomeroy's Equity Jurisprudence, 5th Edition, Vol. 3, p. 688 and cases discussed at pages 9-10 *supra*).

Concerning this Honorable Court's refusal to analyze evidence for the purpose of reviewing findings of fact concurrently approved by two courts below, this court, in *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271, said:

> "Rule 52(a) of the Federal Rules of Civil Procedure, 28 U. S. C. A., provides in part: 'Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.' . . .
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> . . . .
>
> A court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U. S. 275, 64 S. Ct. 593, 88 L. Ed. 721; District of Columbia v. Pace, 320 U. S. 698, 64 S. Ct. 406, 88 L. Ed. 408; Williams Mfg. Co. v. United Shoe Machinery Corp., 316 U. S. 364, 62 S. Ct. 1179, 86 L. Ed. 1537; Baker v. Schofield, 243 U. S. 114, 118, 37 S. Ct. 333, 334, 61 L. Ed. 626" (pp. 274-5).

The self-imposed stricture against review of evidence by this Court, to weigh the accuracy of the lower courts' findings, is so basic, that even *after* granting certiorari if it becomes apparent from the briefs or the argument of the appeal, that what petitioners in effect are seeking, is factual review by this Court, the writ must be dismissed, as improvidently granted. *Southern Power Co. v. North Carolina Public Service Company* (263 U. S. 508); *Houston Oil Company of Texas v. Goodrich* (245 U. S. 440); *Farmers W. & Co. v. Yang-Tsze Ins. Assoc.* (242 U. S. 430).

As this Honorable Court said in the *Southern Power* case (*supra*):

> "This writ must be dismissed. * * * The argument developed that the controverted question was whether the evidence sufficed to establish actual dedication of petitioners' property to public use, is primarily a question of fact." (p. 509)

Petitioners concede—at page 9 of their petition herein—that the Courts below "could have found on this record * * * that there was consideration to support an assignment of those uses under the renewal copyright". But—argue petitioners—since the initial consideration could not have contemplated "means of reproduction of music which developed after the signing of the contract in 1923", the subsequent introduction of new means of reproduction of music, rendered the originally adequate consideration, inadequate. All of the authorities, are to the contrary. (See cases discussed at pages 9-10, *infra*.)

But even if the law were otherwise, the learned Court's "Findings" establish that the parties treated the new means of reproduction of music—"Film synchronization rights and electrical transcriptions have been treated as 'mechanical reproductions' within the terms of the instrument of April 19, 1923, and royalties have been paid accordingly * * *." (Appendix in Court of Appeals, p. 82a)

Nor should it be overlooked that in the District Court, petitioners conceded that the original assignment of April 19, 1923, embraced the right to exploit the song by means unknown and not within the contemplation of the parties when the contract was made, thus giving effect to the principle of *Kalem Co.* v. *Harper Bros.*, 222 U. S. 55).

Thus, petitioners' assumption in their claim of error, that they received no royalties for the use of their composition by new means and devices introduced after the date of the contract, is conclusively disproven by the lower courts' "Findings" to the contrary.

In any event, even if the facts were to the contrary, it is elementary, that adequacy of conside[illegible] to be judged as of the time when the contract is made—and subsequent events may not be considered.

Pomeroy in his work on "Equity Jurisprudence" states the standard to be applied:

> "As to the time of the inadequacy, in order that it may ever be fatal, it must exist at the concluding of the contract. If it was not inadequacy at the making of the contract, none can arise from subsequent events or change of circumstances." (5th Edition, Vol. 3, p. 638)

In *Prospect Park & C. I. R. Co.* v. *Coney Island & B. R. Co.*, 144 N. Y. 152, Judge Bartlett, citing this Court in *Railroad Muhlle Co.* v. *Ryder*, 20 Wall. (U. S.) 339), said:

> "The rule established by the above and kindred cases is that a contract is to be judged as of the time at which it was entered into, and it fairly will not make the fact that it has become a hard one by the force of subsequent circumstances or changing events will not necessarily prevent its specific performance." (p. 162)

Similarly, in *Barrieau v. Brant* (17 How. [U. S.] 43), Chief Justice Taney said:

> "The inadequacy must be tested by the value of the property at the time of the sales, and not by its present value".

To the same effect: *Franklin Tel. Co. v. Harrison* (145 U. S. 459).

In all of the foregoing cases, the actions were for specific performance where the test for adequacy of consideration is highly sensitive. *A fortiori*, where as in the case at bar, the petitioners seek after 26 years to disestablish respondent's ownership of the renewed copyright merely because new devices, bringing new sources of income, came into being after the agreement, petitioners' contention must be rejected as a matter of law.

Petitioners' contention that the declaratory judgment herein was not recovered in an action under the Copyright Law, and that therefore the courts below were without power to grant an allowance for counsel fees—is a distortion of the record.

At page "10" of their petition, petitioners argue that the lower court's power to grant an allowance of counsel fees rests solely upon the statutory provision in the Copyright Act—and that the declaratory judgment which respondent recovered herein, judicially establishing respondent's ownership of the renewed copyright, cannot be deemed to be in an action or proceeding brought under the Copyright Act.

Respondent respectfully submits that it would be difficult to conceive of a more specious contention, since the determination hinged solely upon the provisions of Section 24 of the Copyright Act. Certainly, the factor determinative of whether an action or proceeding is brought under or by virtue of the Copyright Act, cannot hinge on the form of the action. From every realistic point of view,

whether the form of the alleged cause of action is one for infringement, or for a declaratory judgment seeking judicial determination of the validity of or title to copyrighted material. Either determination is necessarily made under and by virtue of the provisions of the Copyright Act.

Applying this realistic view, the Court of Appeals in *Shapiro Bernstein & Co. v. Jerry Vogel Music Co.*, 161 Cir. 161 F. 2nd 406, 410, approved an allowance of counsel fees where the action was for a declaratory judgment with respect to the ownership of a renewed copyright.

But even if a contrary view were the law, petitioners significantly omitted to advise this Honorable Court, that this action was instituted by petitioners claiming infringement of the renewed copyright by respondent, to which respondent counterclaimed for a declaratory judgment judicially to establish respondent's ownership of the renewed copyright, and thus negate petitioners' claim of infringement. Petitioners' alleged cause of action for infringement was dismissed *from trial* on petitioners' own motion, and the trial proceeded on respondent's counterclaim for a declaratory judgment which obviously involved the precise issues tendered by petitioners' claim for infringement.

Under settled interpretation of Sec. 116 of the Copyright Law, respondent was entitled to an allowance of counsel fees at the time of the dismissal of petitioners' claim for infringement. *Cooper v. Columbia Broadcasting System*, 9th Cir., 121 F. 2nd 375. In fact, in an opinion denying, without prejudice, respondent's application for an allowance of counsel fees made at the time of the dismissal of petitioners' claim for infringement, the learned District Court stated in his opinion that "The application by defendant (referring to respondent) for counsel fees against plaintiff (referring to petitioners) is therefore

denied without prejudice to a similar application upon the conclusion of the whole case". (See Judge Dimock's opinion printed at p. 21a in appendix to petitioners' brief, in the Court of Appeals.)

Accordingly, at the conclusion of the entire case, when respondent renewed its application for an allowance of counsel fees, the learned District Judge granted the sum which the Court of Appeals affirmed, holding that it did not constitute "an abuse of discretion".

CONCLUSION

THE PETITION FOR A WRIT OF CERTIORARI SHOULD BE DENIED.

Respectfully submitted,

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JAMES R. BROWNING, Clerk

Supreme Court of the United States

October Term 1960

No. 364

BILLY ROSE, RAY HENDERSON, and MEL TORSHEN, as Executor of the Estate of Mort Dixon,

Petitioners,

v.

BOURNE, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITIONERS' REPLY TO RESPONDENT'S BRIEF IN OPPOSITION

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STATUTE

Section 1(c) of the Copyright Act 7

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PETITIONERS' REPLY TO RESPONDENT'S BRIEF IN OPPOSITION

Preliminary Statement

This reply brief is addressed to the third question which raises a fundamental issue of law of importance to authors and publishers, under the rule announced in *Rossiter* v. *Vogel* (134 F. 2d 908; id. 148 F. 2d 292 and not yet ruled on by this Court.

Respondent, in its Brief in Opposition, argues that this question involves nothing more than a challenge to the findings below, on evidentiary grounds, and that it only presents a dispute as to "adequacy" of consideration. This is not the case. The Petition did not anticipate this baseless argument of the Respondent. Apparently our restraint in elaborating on our argument has been seized

on by the Respondent and we therefore desire to expand on the points made in the Petition by way of this reply brief.

It is also appropriate, although, irrelevant to the Third Question, to note the inaccuracy of Respondent's accusation that the Petition "omitted to advise" the court that the action was instituted as one for copyright infringement (Resp. Br., p. 11). The Petition clearly describes the history of the litigation and states specifically and repeatedly that it was commenced by Petitioners as an action for copyright infringement (Petition, pp. 5-7).

The issue arises because the Petitioners and Respondent adopted as the method for disposing of rights in Petitioners' song "That Old Gang of Mine" a royalty arrangement under which the sole form of consideration for the grant of rights for the original term, and for the assignment of rights during the renewal term, were various royalties geared to particular rights and uses of the composition. Under their agreement, each royalty was in essence severable consideration for the particular right with respect to which it was provided. The agreement failed to specify any royalty for certain other rights and uses of the song either in the original or the renewal term, and therefore, failed to provide consideration to support the assignment of these particular rights during the renewal term. Obviously no question is presented as to the rights during the original term, for adequacy of consideration is a requirement only for the transfer of the expectant or inchoate rights to the renewal term.

The third question, therefore, raises the issue of whether, under *Bossiter v. Vogel, supra*, the assignment is or is not

effective to convey these particular rights during the renewal term. The issue is of concern to authors and publishers generally because this type of royalty arrangement is one of the most common, if not the most widely used method, of arranging for the publication of books and plays, as well as musical compositions.

The "New Rights" in Issue

The rights which Petitioners contend were not effectively assigned during the renewal term, for lack of consideration, were the rights to use and exploit the song in radio, television and talking motion pictures, by electrical transcription, synchronization or other means. These rights, which are hereafter collectively referred to as the "new rights", came into existence at various times after the execution of the 1923 royalty agreement; and Judge Dimock so held (72a*). At the time the agreement was executed, the industry was not aware that these new fields and methods of use would come into being (35a). Cf. *Rossiter v. Vogel*, 148 F. 2d 292, 294; *Kirke LaShelle Co. v. Armstrong Co.*, 263 N. Y. 79, 85, 188 N. E. 163.

The Error Asserted

The District Court decreed that the assignment provisions of the 1923 agreement conveyed to the Petitioners not only legal title to the renewal copyright but also beneficial ownership of it (73a) and thus, beneficial ownership of all of rights (including the new rights) for the renewal term.

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* References unless otherwise indicated are to the Appendix.

We submit that the District Court erred in declaring the Respondent beneficial owner of the new rights. Under the provisions of the 1923 royalty agreement, the Court could, at most, have decreed that the Respondent held legal title to the renewal copyright and was beneficial owner of the rights secured thereby, other than the "new rights"; and it should have decreed that the Petitioners were beneficial owners of the new rights—because the royalty agreement was ineffective as an assignment of these rights during the renewal term.

The legal relationship of the parties, by reason of this ineffectiveness, is no different than that subsisting where an author grants certain of the rights in a work to a publisher (and also assigns the "copyright"), but reserves other rights under the copyright. The publisher in such circumstances holds legal title to the copyright, but in trust for the author with respect to those rights which the latter has retained. (Cf. *April Productions v. G. Schirmer Inc.*, 308 N. Y. 366, 375, 126 N. E. 2d 283; *Risel v. Loesser*, 1 F. 2d 436).

The Question Presented Is a Question of Law

The question presented is one of law, not as Respondent's brief suggests, one of fact. The issue is whether there was an absence of consideration for the assignment of the new rights; not whether consideration was inadequate. Respondent, indulging in a quotation out of context (Resp. Br., pp. 4-5) suggests that Petitioners have conceded that there was consideration to support an assignment of the new rights, which subsequently became inadequate. This is not so. The statement which Respondent

has partially quoted was that the consideration for the rights other than the new rights might have been adequate (Petition, p. 9).

Determination of the question depends solely upon the legal effect of the 1923 Royalty Agreement, not upon a review of the Findings of Fact, nor of the evidence. That agreement is before the Court, as was the agreement in *Manners* v. *Morosco*, 252 U. S. 317, where the Court grounded its decision on its interpretation of the contract, rejecting the construction which the lower Courts had adopted.

No Consideration Is Provided in the 1923 Agreement for the Assignment of the New Rights in the Renewal Term

Petitioners submit that, when the royalty agreement was executed in 1923 it was, on its face (and always has been), totally lacking in any consideration for the assignment of the new rights during the renewal term.

The payments on the uses of publication and mechanical reproduction, under the two royalty clauses in the agreement, were not consideration for separate and different uses of the song in radio, television and motion pictures. Nor could the rate of royalty prescribed in either of these clauses be applied to the new uses (to furnish the missing consideration).

Each of the royalties specified was geared to one of the means of exploitation then known to the industry; one was a royalty on the publication of sheet music; the other a royalty on recordings of the song on piano player rolls,

discs and other means of "mechanical reproduction". (76a-77a). [No royalties were provided for public performances for profit; both Petitioners and Respondent received royalties for non-dramatic public performances from the American Society of Composers, Authors and Publishers (72a).]

Each of these royalties was severable consideration, to be paid in exchange for the privilege of exercising the right to which it was geared and with respect to which it was paid. (Cf. *April Productions* v. *G. Schirmer Inc.*, 308 N. Y. 366, 376, 126 N. E. 2d 283; *Manners* v. *Morosco*, 252 U. S. 317, 326).

It cannot be assumed in the absence of a specific provision that the payment of royalties on the uses of publication and mechanical reproduction were intended as consideration for separate and different uses of the song on radio, television and talking motion pictures. Such a reading of the contract contradicts the intention which it expresses and would defeat the purpose of a royalty arrangement which is to permit the author to share in the proceeds of exploitation of each right controlled by the publisher. Payment of 2c for each copy of sheet music which the Respondent withheld (a payment it was in any event obliged to make) would not give the Petitioner a share in the proceeds from the use of the song in a motion picture, which might amount to thousands of dollars.

Moreover, the contract precludes this interpretation. Where it was intended that the publisher be excused from paying royalties, with respect to particular uses, the agreement said so plainly and described the excluded uses (Par. 3(c); 77a). The specific description of these excluded uses

... not mention the new uses in radio, television or talking motion pictures, either in express terms, nor by any general provision that Respondent would not be required to pay royalties with respect to any uses or rights not then known, or which might thereafter come into existence.

Since the parties failed to agree upon and stipulate in the contract the consideration for Petitioner's undertaking to assign the new rights for the prospective renewal term, the agreement to assign them is lacking in consideration. *Boosey v. New York Press Co.*, 164 N. Y. 406, 410, 58 N. E. 527; *Blackwell v. Aviation Co.*, 208 App. Div. 317, 203 N. Y. Supp. 380, affd. 239 N. Y. 545, 147 N. E. 188.)

The missing consideration, a specified royalty for the new rights, cannot be supplied now by applying the "mechanical reproduction" royalty as the measure of Respondent's obligation to make payments for the new uses. The agreement describes the types of uses for which the mechanical royalty was to be consideration: recording of the song on playrolls, disks, records, or other devices for mechanical reproduction; in other words, the methods of mechanical reproduction which were then known and which are the methods included in Section 1(e) of the Copyright Act. The new uses in talking motion pictures, television and radio are entirely different—both as to technical methods, the uses made of the song by the motion picture or television producer, and the type and amount of consideration paid therefor. Thus it has been held that the use of a musical composition in talking motion pictures, by means of synchronization, is a separate and distinct use from the right of "mechanical reproduction" (*Bryan v. Twentieth Century Fox Film Corp.*, 67 F. Supp. 736, affd. 165 F. 2d 784).

The agreement should not be re-written by a court to apply the royalty which the parties established for one set of uses as the royalty for another and different set of uses.

The trial court made no finding that the new uses were means of "mechanical reproduction"; nor did it find that the language of the "mechanical reproduction" royalty clause embraced the new uses. In its opinion, it observed that the new uses had been treated as "mechanical reproductions" and royalties paid "accordingly" in the original terms (82a). But there is no finding that the parties had agreed, expressly or implicitly, that such payments were being made under the "mechanical reproduction" clause only that they were paid at the same rate; they may have been made gratuitously by mistake or by tacit understanding during the original term to avoid dispute.

It is apparent from the record that neither Respondent's counsel nor the Court considered that the payments during the original term indicated that the parties construed the agreement to mean that the new uses were within the "mechanical reproduction" royalty clause. On the contrary, the court indicated its belief that there was no agreement between the parties on this question; and Respondent's counsel noted his client's view that it was not obligated under the agreement to pay any royalties on the new uses (62a, 63a).

The fact that Respondent made such payments during the original term could not vary the meaning of the agreement: if no obligation is imposed by the agreement to pay royalties during the renewal term for the new uses, the conduct of the parties could not supply it, nor change the terms of the contract. (*Hogan and Plays, Inc. v. Kempner*, 267 N. Y. 380, 385, 189 N. E. 467.)

Since Petitioner chose to provide royalties on a severable basis, attributable to each of the then known uses (rather than, for example, to establish one royalty payable out of all proceeds of the composition), the assignment provisions of the agreement must have the same effect as if the right had been assigned separately (*American Society of Composers, Authors & Publishers v. Rosenthal*, 206 Misc. 486, 133 N. Y. Supp. 2d 870, aff'd. 1 App. Div. 2d 652, 147 N. Y. Supp. 2d 1006; *Hapgood v. Grand Rapids Gas Co.*, 117 F. 2d 166).

The assignment of the new rights for the renewal term, without any royalty or other consideration being provided therefor, is as ineffective (under *Rosette v. Rupp*, *supra*) as if the new rights had been assigned for the renewal in a separate instrument which did not express any consideration. And, if the agreement is ineffective to convey the new rights, the resulting relationship of the parties is no different than that which would have been created if these new rights had not, in the first instance, been conveyed in the agreement along with the title to the copyright and the rights of publication and mechanical reproduction. As the court said in *April Productions v. G. Schirmer, Inc.*, 308 N. Y. 366, 126 N. E. 2d 283:

> "And, after obtaining the copyrights in this case, Schirmer held them in trust for Shubert to the extent that the latter reserved all rights except publication and mechanical rights, that is, the rights on which royalties were to be paid. (*See Boyd v. Robinson*, 1 F. 2d 436; *Ford v. Blanco Amusement Co.*, 148 F. 2d 642; *Quinn-Brown Pub. Corp. v. Chilton Co.*, 15 F. Supp. 213, 214)." (at p. 375)

Judge Dimock also declared in his opinion that the amount paid as royalties to the Petitioner during the orig-

inal term, some $35,000. (71a), constituted adequate consideration to support the assignment of the renewal copyright and, thus, presumably the new rights (83a). We respectfully submit that this conclusion is erroneous. The obligation to pay royalties during the original term was consideration for the grant during that term; it was not consideration for the assignment of the renewal copyright, nor of the rights thereunder during the renewal term. It is apparent that the consideration for the assignment during the renewal term, can be found only in such obligation as was expressly undertaken to pay royalties during that term.

The royalties paid by Respondent during the original term could only be consideration for the grant of rights during that period; the payments were measured by uses made during the original term; and Respondent was obliged under the agreement to make these payments whether or not it obtained the renewal copyright. Thus, had all the authors died in the first year of the original term, the Respondent had nonetheless been obliged to pay royalties as set forth in the original agreement, even though under the renewal clause (Section 24) the renewal copyright would no longer come to it.

Moreover, had the publisher failed to pay royalties during the renewal term, Petitioner would have been entitled to terminate the agreement and to recover the renewal copyright. In re *Waterson, Berlin & Snyder Co.*, 48 F. 2d 704, 710; *Broadcast Music, Inc.* v. *Taylor*, 10 Misc. 2d 9, 23, 55 N. Y. Supp. 2d 94, 104. It would have been no defense that royalties had been fully paid during the original term

The trial court also observed that Petitioners were not entitled to "rescind" the renewal copyright because they had not offered to return the consideration that they received during the original term. There is no need to "rescind" the 1923 agreement; in declaring the rights of the parties under it, the Court should have decreed that by reason of the lack of consideration, it was unenforceable to assign the new rights during the renewal term (*Rossiter v. Vogel*, 148 F. 2d 292, 293).

Moreover, where an author seeks to terminate an agreement such as this, he is not required to return the royalties previously paid to him by the publisher for uses made during the period in which the publisher possessed and exploited the rights. (*Hurst v. Tryg Printing and Book Binding Co.*, 2 Misc. 361, 22 N. Y. Supp. 371, aff'd. 142 N. Y. 637, 37 N. E. 566; *De Bekker v. Frederick A. Stokes Co.*, 165 App. Div. 152, 153 N. Y. Supp. 1056, aff'd. 220 N. Y. 573, 114 N. E. 1064; *De Witt Co. v. Cason*, 121 Misc. 78, 201 N. Y. Supp. 20; *Ritter v. World Film Corporation*, 180 App. Div. 475, 167 N. Y. Supp. 1027).

The trial court said that Respondent was entitled to all the rights for which it bargained, or to have the bargain rescinded (58a). But the parties did not bargain for the new rights—they failed to provide any consideration for them, for the obvious reason that they did not know of them or even contemplate their existence. If Petitioners' contention is correct, Respondent will have received, during the renewal term, everything it agreed to pay for in 1923; those rights for which consideration was provided, in the form of specified royalties and title to the copyright. It was in contemplation of receiving the rights for which royalties were provided that Respondent decided

to publish the song; it was in contemplation of profits which it would derive from the uses then known, and share with Petitioners, that it fixed the royalty rates offered to them.

Without the new uses during the renewal term, Respondent would be in no worse a position than it would have been had the new uses and rights never come into existence; particularly so since these do not in any way interfere with the enjoyment of the rights for which royalties were provided.

The fact that these rights have materialized since the execution of the agreement, as the result of scientific advances, does not entitle Respondent to have them during the renewal term, when it failed to provide consideration for them.

This result of the Respondent's own choosing; the royalty agreement was its standard form (32a; 34a). It could have agreed to pay a lump sum for all renewal rights; it could have agreed to pay, during the renewal term, a royalty on all uses of the composition; or it could have specifically provided in the agreement that it would only pay royalties on certain of the rights, but that these were to be the consideration of all of the rights. However, it did none of these things; it only obligated itself to pay separate royalties with respect to particular uses which it intended to make as of the time of the agreement; and in specifically absolving itself from the obligations to pay on other specified uses, it did not include the new uses either by explicit provision, or by any general provision.

In construing the terms of the agreement, as an assignment of rights during the renewal period, the Courts below

obviously did not conform to Judge Clark's admonition in *Rossiter v. Vogel, supra*:

> "that the circumstances justifying the transfer of the right of renewal must be stronger than those justifying the transfer of the copyright, since the right of renewal is separate from the original copyright. *(Shapiro, Bernstein & Co. v. Brier*, 2 Cir., 123 F. 2d 697.)" (134 F. 2 at pp. 910-911).

Nor, we submit, was the contract construed in keeping with the principle expressed in *Warner Bros. Pictures Inc. v. Columbia Broadcasting System Inc.*, 216 F. 2d 945; cert. den. 348 U. S. 971;

> "As was said in *Phillip v. Jerome H. Remick & Co.*, S. D., N. Y., Op. No. 9999, 1936, 'Such doubt as there is should be resolved in favor of the composer. The clearest language is necessary to divest the author of the fruits of his labor. Such language is lacking here.' See, also, *Fahmi v. Carl Fischer, Inc.*, 1942, 263 App. Div. 503, 507, 33 N. Y. S. 2d 294, 299, affirmed 1942, 289 N. Y. 727, 46 N. E. 2d 347." (at p. 949)

CONCLUSION

It is respectfully submitted that the Petition for a Writ of Certiorari should be granted.

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